

Guidelines for remuneration of executive management of Nel ASA

These guidelines regarding remuneration to the executive management have been prepared by the board of directors of Nel ASA ("Nel" or the "Company") in accordance with the Norwegian Public Limited Liability Companies Act Section 6-16a and related regulations. The guidelines have been prepared for approval by the Company's annual general meeting in 2021, and will apply until the Company's annual general meeting in 2025, unless amended or replaced earlier.

Process for development of the guidelines, role of remuneration committee

The board of directors has taken an active role in establishing and executing these guidelines.

The board of directors is in the process of appointing a remuneration committee as a subset of the board of directors. Going forward, the remuneration committee is intended to have a preparatory function, in relation to the board of directors, for principles for remuneration and other terms of employment of the senior executives. This includes future versions of these guidelines.

The board of directors shall prepare a proposal for guidelines for resolution by the annual general meeting at least every fourth year. Guidelines approved by a general meeting may be amended in subsequent annual or extraordinary general meetings, also within an original term.

The board of directors shall approve remuneration to the CEO. The other senior executives' remuneration shall be prepared by the CEO and resolved upon by either the board of directors or the remuneration committee. In order to reduce the risks of conflict of interests, no senior executive shall participate in the preparation or resolution regarding remuneration-related matters which they are directly affected by.

Purpose and general principles for remuneration

For the purposes of these guidelines, senior executives include the CEO and certain other executives who directly report to the CEO and who are either members of Nel group corporate management or divisional heads.

These guidelines constitute a framework for which remuneration to senior executives may be decided by the board of directors or the remuneration committee during the period for which the guidelines are in force. Nel has a leading role within the global hydrogen industry, and as such competes for senior management talent within the industry in all its locations worldwide. These guidelines aim to support Nel's competitiveness as an employer in all locations.

The Company's remuneration principles are designed to ensure responsible and sustainable remuneration practices that support the Company's business strategy, long-term interests, and sustainable business practices. To this end, salaries and other employment terms shall enable the Company to recruit, develop and retain skilled senior executives with relevant experience and competence. The remuneration shall be on market terms, be competitive, and reflect the performance and responsibilities of the individual senior executives. Principles for incentives and performance are designed to be aligned with the interests of the Company's shareholders and to ensure the most capable execution of defined business strategies, short and long-term, while ensuring the Company's going concern.

Remuneration and employment conditions for employees of the Company have been taken into account in the preparation of these guidelines by including information on employees' total income, forms of remuneration and other salary components in the basis for decision when evaluating whether the Company's remuneration practices, and the guidelines and limitations set out herein, are reasonable.

Remuneration for senior executives shall be adapted to comply with established local practice and mandatory rules in the jurisdiction of their employment, taking into account, to the extent possible, the overall purpose of the guidelines.

Elements of remuneration

The remuneration to the senior executives covered by these guidelines may consist of fixed cash salary, variable cash salary, benefits, and participation in stock option incentive programs as further described below.

Principles for fixed cash salary

Fixed cash salary allows Nel to attract and recruit senior executives that are necessary for the long term profitability and sustainability of the Company.

Fixed cash salaries shall reflect the individual's position and degree of responsibility. The size of the fixed cash salary shall reflect market rates at the relevant location. The salary shall be competitive with comparable businesses within the industry, and shall take into account inter alia the scope and responsibility associated with the position, as well as the skills, experience, and performance of each senior executive. The fixed cash salaries have no specified maximum levels.

Principles for variable cash salary /bonuses

As of March 2021, only the CEO has a bonus arrangement. Said arrangement is limited to 50% of his fixed salary. Half of the CEO's annual bonus is based on achievement related to qualitative and quantitative KPIs set by the board of directors. The KPIs balance short-term financial and operational targets with strategic initiatives that support the long-term development of the Company. The other half of the bonus is payable based on an overall assessment by the board of directors of the development of the Company and management over the last 12 months.

Following the annual general meeting in April 2021, the Company intends, under the supervision of a newly established remuneration committee, to carry out a thorough review of the Company's compensation practices across all locations. This review may lead to the establishment of bonus schemes for other members of executive management, in instances where extraordinary effort or achievement of performance objectives can be measured through clearly defined results parameters/KPIs. Any results parameters/KPIs may include both financial performance targets set for the Company, such as EBIT, profits, turnover or similar, as well as team and individual performance targets which will be specified and tailor-made to the individual's area of responsibility. Any such KPIs shall reflect the key drivers for pursuing the Company's business strategy, long-term interests, and sustainable business practices, including social responsibility and environmental impact when and to the extent relevant. To which extent the criteria for awarding such variable cash salary have been satisfied shall be determined concretely by the Company when the relevant measurement period of the performance criteria has ended. Such variable cash salary shall be evaluated and documented on an annual basis. Variable cash salary shall not exceed 50% of the individual employee's base salary.

The Company's policy is to ensure that contractual grounds exist to require salaries, whether fixed or variable, to be refunded if the basis for the payment later proves incorrect, in case of erroneous payments, or in the event of breach of contractual obligations.

Principles for pension benefits

The Company's overall policy is that pension arrangements shall reflect local practices and applicable law at each location. Therefore, the Company's pension schemes will vary between jurisdictions.

Leading employees are members of the Company's pension and insurance scheme that applies to all employees in the respective country. In Norway, no leading employee has or shall have a pension scheme beyond what is supported in the Norwegian Occupation Pension Act. The pension scheme is based on a defined contribution covering salary up to 12G. In the USA, leading employees shall be entitled to elect to participate in the Proton Energy System, Inc. 401(k) retirement plan, subject to certain eligibility requirements. Participants shall have the option of contributing up to 15% of their annual compensation. The Company shall make matching contributions to the 401(k) plan at 35% of the first 6% of the eligible employees' contributions. In Denmark, leading employees are members of the Company's pension and insurance scheme that applies to all employees in Denmark. No leading employee has a pension scheme beyond what is supported in the Danish Occupation Pension Act. The yearly contribution is 8% of salary.

Principles for non-financial benefits (other than pensions)

Members of the executive management are eligible for a mobile phone with subscription and broadband internet. Where this corresponds to local practices, the Company may provide use of a company car, but as of March 2021 this is currently only provided to one executive.

The Company aims to have sufficiently competitive salary and incentive programs to minimize the need for additional non-financial benefits. Any such shall always be based on market terms, local practices and shall facilitate the duties of senior executives. Non-financial benefits that are not insignificant and which go beyond what is offered to the entire workforce of Group, shall be reviewed and approved by the remuneration committee or the board of directors.

Share based remuneration / option plans

As of March 2021, the Company has a share option plan in place which covers all employees. The share option plan is intended to continue in 2021. For future years, participation may be reduced and number of options may be adjusted. The share option program aligns the interests of the employees with those of the shareholders and thereby contributes to the Company's strategies, long term interests and financial sustainability.

The total number of share options outstanding in share option programs shall not at any time exceed 5% of the outstanding shares of the Company. More than half of the share options will vest over no less than three years. For the 2021 grant, the plan is that 40 % will vest over two years and 60 % over three years. Each option, when exercised, will give the right to acquire one share in the Company. The options will be granted without consideration. Strikes prices shall reflect the listed price at the date of grant, and will have a premium of between 3 and 10%. Leading employees will each receive a specified maximum number of options, depending on achievement of individual key performance indicators. Vesting requires the option holder to still be an employee in the Company. The gain per instrument has been capped at NOK 5.00 maximum per share option for the last three issues. The gain per instrument will continue to be capped, but the cap may be adjusted depending on share price and number of options issued. Options that have not been exercised will lapse 4 years after the date of grant.

Employment agreements

Senior executives, depending on geography and applicable laws and practice, will typically have between 3 to 18 months' notice periods. The notice period in leading employees' employment agreements shall not exceed 18 months.

Any severance agreements shall be connected to confidentiality and anti-competitive clauses in the individual's employment contract, so that they compensate for restrictions in respect of his or her ability to take new work. Income from other sources shall be deducted from such arrangements.

Deviations from these guidelines

The board of directors may temporarily resolve to deviate from these guidelines, in whole or in part, if in specific circumstances there is a particular cause for such deviation, and a deviation is deemed necessary to serve Nel's long-term interests, sustainability, or financial viability.

When determining whether to resolve to deviate from these guidelines the board of directors has full discretion, and shall consider all relevant factors, including but not limited to:

- changes in or amendments to the relevant laws, rules or regulations (for example for regulatory, stock exchange control, tax or administrative purposes or to consider change in legislation or corporate governance requirements or guidance);
- changes of the CEO;
- changes of Nel's capital structure or ownership, inter alia by way of mergers, demergers or acquisitions;
- other events that cause the targets or conditions for remuneration to no longer be appropriate; and
- other exceptional circumstances where the deviation may be required to serve the long-term interests or sustainability of the Company, or to assure its financial viability.

Deviations from these guidelines and the background of any such deviation shall be included in the annual report to be prepared by the board of directors in accordance with Norwegian Public Limited Liability Companies Act Section 6-16b.

Oslo, March 16th, 2021

The Board of Directors of Nel ASA